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DEPUTY CIA DIRECTOR QUILTS; REPLACED BY ANOTHER CAREER INTELLIGENCE OFFICER  
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WASHINGTON

President Reagan on Tuesday accepted the resignation of Deputy CIA Director John N. McMahon and quickly named another career intelligence officer to the government's No. 2 spot under top spy William Casey.

A surprise announcement by the White House Tuesday evening said Reagan would nominate Robert M. Gates, the agency's deputy director for intelligence, to replace McMahon.

McMahon, 56, a 34-year veteran of intelligence work, gave no explanation for his resignation other than to say in a letter to Reagan he had "reached a stage where I should move on."

Gates, 42, is a specialist in Soviet and Eastern European affairs who has served two tours on the National Security Council staff at the White House. He holds a doctoral degree from Georgetown University and has been associated with the CIA for 20 years, serving most of that time at the agency's headquarters in Langley, Va., just outside Washington.

The White House statement saying the president had accepted McMahon's resignation cited "personal reasons" for the deputy's departure, which is to be effective March 29.

The statement said Reagan accepted the resignation "with regret" and praised McMahon's long years of service to the nation.

There was no immediate explanation for the announcement, coming as it did after office hours Tuesday and after reporters had been told there would be no further statements from the White House.

But McMahon had been planning to leave for some time and his resignation was simply a normal personnel move, according to intelligence sources speaking on condition of anonymity.

In a letter dated Feb. 24 but not released until the resignation was announced, McMahon told Reagan, "With over 34 years in intelligence, I have reached a stage where I should move on."

He said he did so with mixed emotions but "with the satisfaction and confidence that U.S. intelligence has never been better, thanks to the resources you have placed into our intelligence effort and the strong support you have given our intelligence programs."

McMahon offered praise for Casey, a former Reagan campaign chairman who had not been associated with the intelligence community since World War II and has encountered some opposition within the CIA and on Capitol Hill since assuming the directorship five years ago.

He called Casey "a unique asset" who has brought wisdom, energy and leadership "that has provided our country with an intelligence capability second to none."

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McMahon was nominated by Reagan to be deputy director on April 26, 1982 following the resignation of Adm. Bobby Inman, which has created a near-revolt on Capitol Hill. Both Democrats and Republicans were openly wary of Casey and said they had come to rely on Inman, a career intelligence officer to give them a reliable account of what the agency was doing.

Before the promotion, McMahon had held the agency's No. 3 post \_ executive director. During his life-long career at the agency McMahon had helped run the U-2 spy plane program and later managed the agency's spy network.

His biography in Who's Who in America shows McMahon has worked nowhere except the CIA since his graduation from college.

McMahon served in virtually every area of the CIA after graduating from Holy Cross in 1951 and joining the agency later that year. His first seven years were spent overseas.

In 1959, McMahon was assigned to work on the U-2 program. The following year, a U-2 spy plane piloted by Francis Gary Powers was shot down over the Soviet Union in an incident that torpedoed a planned U.S.-Soviet summit conference.

McMahon later held top posts in electronic intelligence, technical services, administration and on the staff that coordinates all U.S. intelligence agencies.

In January 1978, McMahon became deputy director for operations in charge of the CIA's clandestine spy network. After more than three years in that job, he was named deputy director for national foreign assessments, which produces intelligence estimates that CIA circulates through the U.S. government.

He took over the executive directorship in January 1982.

When he was chosen to succeed the immensely popular Inman, McMahon won praise from the then-chairman of the House Intelligence Committee, Rep. Edward Boland, D-Mass., who said, "He is clearly an able professional \_ one of the most knowledgeable senior intelligence officers the president could have chosen. He has had managerial experience in every important CIA and intelligence community area \_ operations, analysis, technology and policy. He is a welcome choice."

But Republican Dave Durenberger, of Minnesota, then just a member of the Senate Intelligence Committee but now its chairman, said at that time, "We'll have to work harder on oversight and ask tougher questions, because McMahon is not Inman, there are still problems about trusting the administration in this area."

By most accounts, McMahon won the respect of the two oversight committees during his tenure in the No. 2 post, while Casey continued to have an up-and-down relationship with Congress.